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INTELLIGENCE MEMORANDUM

INSTABILITY IN THE WESTERN HEMISPHERE

DIRECTORATE OF INTELLIGENCE

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CENTRAL INTELLIGENCE AGENCY
Directorate of Intelligence
9 December 1966

INTELLIGENCE MEMORANDUM

Instability in the Western Hemisphere

Summary

Instability has long been a factor in the developing countries of the Western Hemisphere. Revolutions, attempts at revolution, or serious disturbances are definite possibilities in nine of the 24 countries on the southern flank of the US. In addition there is sufficient malaise in nearly all of the other countries to cause concern. The factors making for instability vary country by country. They include severe economic and financial difficulties, ineffective governments and lack of sound leadership, a distaste for the old order of Latin America (military-church-wealthy oligarchical domination), a driving urge for progress in political, economic, and international fields, and active subversive elements which receive encouragement and, in some cases, material support from Cuba.

Note: This memorandum was produced solely by CIA. It

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1. The Tri-Continent Conference held in Havana in January 1966 and subsequent events have made it clear that Cuba continues to devote considerable effort to assisting subversive groups in the hemisphere. Propaganda support for revolution in Latin America emanating from Fidel Castro and other high-level Cuban officials has again reached the crescendo of the early 1960s. Contrary to the Soviet Union's preference for political action, Cuba boldly announced this October the existence in Cuba of a school for guerrilla training of Latin Americans. In addition, Cuba has been caught red-handed in giving material support to the guerrillas in Guatemala and Venezuela in the past few months.

2. Intelligence publications for some time have been highlighting the malaise in the nine countries which are believed to be the most vulnerable to revolution or other major disturbances. It is, of course, usually impossible to predict the exact timing of any crisis, and hence to single out which one of these countries will be the next victim of a revolt or other upheaval. The problem areas can be classified according to the nature of the threat and the extent of the danger to US interests should upheavals occur. The following paragraphs describe four basic categories into which it seems useful to divide the countries.

3. In the first category are those countries in which the tenure of the incumbent regime is precarious and in which there are subversive forces capable of precipitating and taking advantage of a breakdown of public order, in one way or another. In general this would be so because of social deprivation and unrest, the lack of strongly established political institutions and a moderating middle class, and the lack of reliable or effective security forces. This is not to say that the Communists are capable of seizing power in any of these countries, but only that a situation could readily develop which they could exploit to their considerable advantage. There could be sufficient unrest in a number of these countries to create pressure for direct United States involvement, even extending to the use of troops either unilaterally or under the auspices of the OAS. The countries which at present appear to fit into this grouping are listed in approximate order of the estimated danger.

a. Guatemala. President Mendez has been unable to cope effectively with Guatemala's insurgency problems. He continues under pressure from both the right and the left. Communist guerrillas still operate flagrantly in the capital and in the countryside despite some minor successes of the military in the hills.

b. Haiti. Despite recent arrests and military purges, Duvalier still faces plotting and possible further outbreaks of violence. There are signs of disaffection among some elements of the armed forces and of continuing public unrest. Should the Duvalier dictatorship collapse, anarchy could well ensue. The Communists are not capable of seizing power, even in such circumstances, but could gain influence by performing sorely needed organizational and administrative services for any successor regime.

c. Panama. Panama's fragile political order is susceptible to exploitation by ultranationalists and Communists. The demagogic Arnulfo Arias, ambitious to be the next president, is encouraging antigovernment activity and is said to be courting some radical leftists. There is a constant danger that an unforeseen incident could mushroom into a major crisis which could give net gains to the Communists or other anti-US ultranationalist elements.

d. Dominican Republic. The potential for chaos is still high in the Dominican Republic. The assumption of control of ex-President Bosch's political party--the opposition PRD--by radical elements adds to the strains already present because of the economic situation, labor unrest, and some Communist subversion.

e. Guyana. Now that the British troops have left this new country, Guyana is vulnerable to public disorder which could strain the capability of the inexperienced Guyanese Defense Force. The largest political party is led by pro-Communist Cheddi Jagan, who could shift to violent tactics again should it appear that he will be frustrated in the 1968 election.

f. Bolivia. President Barrientos' rivalry with General Ovando, which bears the seed of a possible

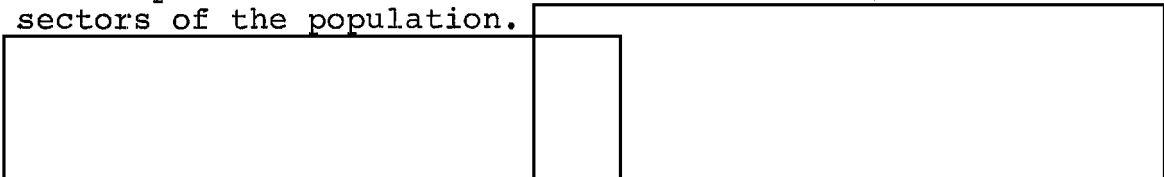
split in the military, labor unrest, and persistent subversive activities add to the already unstable situation in Bolivia. The potential for widespread civil disorders exists.

4. The second category includes countries in which the major threat is a coup or an attempt at one, but in which the military establishments or other groups which are basically willing to cooperate with the US would be involved and would probably be capable of maintaining control.

a. Ecuador. The turbulent political conditions under which the eighteenth constituent assembly is meeting are likely to continue for some time. The country is faced with a financial crisis. With the country subject to a provisional president and lacking effective government, the armed forces are poised to intervene if there appears to be a breakdown in the political system. The left is beginning to make an effort to bring about a change of government.

b. Costa Rica. Coalition President Trejos and the opposition National Liberation Party, which controls congress, are unwilling to compromise. As a result the country is suffering for want of effective social and economic programs. Trejos' lack of political experience is compounding the difficulties. Influential groups, the most powerful of which are pro-US, could be disposed to take drastic action to fill the political vacuum if conditions continue to deteriorate.

c. Honduras. The lackluster regime of President Lopez has created dissatisfaction in important sectors of the population.



5. The countries discussed in the above paragraphs are all ranked in a different listing below according to a judgment of the degree of the criticality of the situations in each country at this time. Of

course any such "fever chart" will change even over the short run as certain governments come to grips with the factors which bring about the instability or as other governments become weaker.

- | | |
|-----------------------|---------------|
| a. Ecuador | f. Costa Rica |
| b. Guatemala | g. Honduras |
| c. Haiti | h. Guyana |
| d. Panama | i. Bolivia |
| e. Dominican Republic | |

6. A third category includes countries which are likely to undergo periods of serious stress for various economic or political reasons. In a number of these the problems are chronic e.g., labor unrest, severe economic pressures, racial conflicts. However, the governments in these countries at the moment are sufficiently in control to prevent a strong threat to stability from developing and no major danger to US interests is now foreseen. In order of the severity of the strains within each, the following seems an appropriate ranking (with major factors for unrest noted), although here also certain countries will move up or down the scale as internal conditions improve or deteriorate.

- a. Uruguay (crippling strikes, economic deterioration, inept leadership).
- b. El Salvador (Elections in 1967 causing some unrest and disaffection in military).
- c. Colombia (Public frustration with national front government, Communist insurgency).
- d. Venezuela (Communist terrorism and guerrilla activity, military grumbling).
- e. Brazil (Labor and student dissatisfaction, extremely vocal opposition).
- f. Argentina (Adjustment to new military government, Peronist opposition).

g. Jamaica (Social unrest, outbreaks of hooliganism, strikes, aging political leaders).

h. Nicaragua (Possibilities of disorders surrounding upcoming 1967 elections for president).

i. Trinidad-Tobago (Negro - East Indian rivalries, high unemployment).

j. Barbados (High employment--20-25 percent--overpopulation).

7. The final category of countries in the Western Hemisphere would include those in which the factors for stability clearly far outweigh those for instability. This list includes Chile, Mexico, Paraguay, and Peru. The Communist dictatorship of Cuba also falls in this grouping.

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